GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5368
ANSWERED ON:22.12.2000
BANK LOANS IN AGRICULTURE AND COMMERCIAL SECTOR
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Will the Minister of FINANCE be pleased to state:

(a) whether the private and foreign banks have extended lesser direct loan to the agro and small scale industries during the current year in comparison to the previous years;

(b) if so, the percentage of loan out of the total loan provided by the above mentioned banks to the agro and small scale industries during the last three years; and

(c) the extent to which it is lesser than that prescribed under the laid down norms?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) Reserve Bank of India has reported that the outstanding credit (direct and indirect) to the small scale industries sector (inclusive of agro-industry which specify SSt norms)by the private sector banks and foreign banks as on the last reporting Friday of March, 1998,1999 and 2000 is as under:
(i) Private Sector Banks.

	March 1998	March 1999	March 2000
Amount (Rs.in crores)	5849	6493	7313
% to net bank credit	20.6	18.8	15.7

(ii) Foreign Banks

	March 1998	March 1999	March 2000
Amount.(Rs. in crores)	2084	2460	2872
% to net bank credit	10.31	11.02	10.23

(c) While there is no target for lending to the SSI sector by the private sector banks,in the case of foreign banks. the stipulated target is 10 per cent of net bank credit.The foreign Danks. as a group, have achieved the target for lending to the SSI sector.